

CHAPTER I

INTRODUCTION

1.1 Background of the Research

In the globalization era, airlines is very important transportation and the airport is the place for air transportation. Unlike the olden times that was when everyone prefers land or sea transportation, air transportation nowadays is not that expensive. As the time goes by, now almost everyone can enjoy a trip using aeroplanes. Air transportation system is a transportation system for moving passenger or goods by air (Annex 2). According to Martono and Ahmad (2010:3-13) in Indonesia National Air Transportation is regulated in Chapter X UURI No.1 Year 2009. According to the chapter the national air transport consists of nine parts, each of the First Sections of Paragraph 83 to Paragraph 107, the Second Part of Paragraph 108 to Paragraph 121, From Paragraph 122 to Paragraph 125, Fourth Section of Paragraph 126 to Paragraph 130, the Fifth Section of Paragraph 131 to Paragraph 134, Sixth Section of Paragraph 134 to Paragraph 135, the Seventh Chapter from Paragraph 136 to Paragraph 139, Eighth Starting from Paragraph 140 to Paragraph 186, and the Ninth Section from Paragraph 187 to Paragraph 191 UURI No.1 Year 2009. In the current era of reform, air transport policy tends to be liberal. Aircraft is a tool that can fly in the atmosphere because the lifting power of the air reaction, except the air reaction to the earth's surface (Annex 1/9th Edition).

As for some aircraft characteristics that can be classified into; An airplane, a helicopter, a sled or a balloon (An 1). Aircraft movement is an aircraft take

off or landing at an airport (International Civil Aviation Organization (*ICAO*) Doc.9180). The aircraft is owned by the Airline Company, according to the Chicago Convention of 1944, the airline is any flight as regulated in article 96 it is said to be an air freight company offering or arranging scheduled international flights (An 9).

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All aircraft movement activities are at the airport. Airport plays a very important role as it serves as an entry and exit point which enables passengers to move from one place to another place, or from one city to the other city and

vice versa. According to the law the flight regulation of the aerodrome is defined as the area of a particular land or water (including any building, installation, and equipment) intended for use in whole or in part for aircraft landing, aircraft departure and aircraft movement (Annex 3/8th Edition), (Martono,2007:372). Other scholar stated that airport is essentially one or more runways for aircraft together with associated buildings or terminals where passengers or freight transported by the aircraft are processed (Rigas,2005:7). According to the Minister of Transportation regarding the decree of Transportation Minister that is Law No.1 year of 2013 the General Provisions Article 1 Paragraph 3, the airport is the area of land or water with a certain limits used as a place for aircraft to land, for passengers to get on and get off, to load and unload goods and to move intra and intermodal transport which is equipped with safety facility and aviation security, basic facilities and other supporting facilities.

According to professional research Sakti Aji (2014:29-30), the main function of an airport is service of airline's departure and arrival also the passengers. The air transportation activity included air traffic flow and passenger traffic flow. It can be said that the airport function is as a center for the spread of aircraft traffic and between airports, between the airport of origin to the destination airport. To serve an air transport activity as described above, airports with capacity should be built on large areas and should be equipped with aviation safety facilities and other supporting facilities. What is meant by other supporting facilities, among others, can be seen from the side of the air and the land side. The air sides include runways, taxiways and aprons. While

the land side includes passenger terminal building, cargo terminal, office administrator, parking area and others.

In Indonesia there are several companies that manage airports. According to UU No.1 in year of 2009 about air communication department, Managing Airport in Indonesia was managed by (a) PT. Angkasa Pura I (Persero), (b) PT. Angkasa Pura II (Persero) , (c) Batam Otority (Hang Nadim Airport) and (d) Government (*Unit Pengelola Bandar Udara /UPBU*). In this research, the author will take PT.Angkasa Pura I (Persero) as 13 managing airport in Indonesia. The reason of author take PT. Angkasa Pura I (Persero) in this reseach because PT. Angksa Pura I (Persero) is the best Management of an Airport Services in Indonesia. This company, have a high quality service than other airport mnagement. PT. Angkasa Pura I (Persero) the only airport management company in Indonesia that has the largest revenue and has more than hundreds of thousands of flights a year.

In this case of study will take the company of PT. Angkasa Pura I (Persero) of Juanda Airport Branch Surabaya as objective company that would be analyzed, is a State-owned Company (SOC) engaging in the Airlines services and other business activities. In order to achieve customer satisfaction, PT. Angkasa Pura I (Persero) developed the concept of "Airport City" by enlarging the airport capacity in order to improve the quality of services and the facilities and infrastructure supporting PT. Angkasa Pura I (Persero). Furthermore, it also prioritizes passengers safety and security providing a various airlines services for economic activity, industry, and trade and tourism. Every company founded by State-Owned Company (SOC) or individuals

have the same goal that is to develop a company and reach the targets that have been set by the company. To reach the company's target, there is a need to have a mature, effective, and efficient planning. In other words, the main target for the company is to meet customer expectation. The function of PT. Angkasa Pura I (Persero), according with Pasal 232 paragraph 1 as (a) Managing of Airport Services, (b) Flight Services related.

The level of passengers' growth is always increasing continuously, especially on long holidays. Along with the rapid growth of passengers, Juanda airport opens two terminals, namely Terminal 1 (T1) for domestic flight and Terminal 2 (T2) for both domestic and International flight. This is evidenced by the growing number of aircraft units and the growing passenger growth of airplanes continuously. The airlines grew rapidly, the number of private state-owned private airline companies increased from 103 to 157 in 2004, to a rapid increase in the year 2015 as many as 8,088 units and in 2016 rose to 10 423 units.

Meanwhile, based on the calculation number of passengers domestic aircraft increase 4% per year while the increase in the number of passengers for international aircraft reached 7% per year. In Indonesia on certain big days or towards the end of the year the growth of passengers will grow rapidly up to 18% annually. In Indonesia, there is a high demand for air transportation along with the growth of passengers. This can be seen by a large number of airlines schedules. One of the examples is there is a certain airlines which can fly for more than 5 to 7 times a day with the same destination. Furthermore, there is also another airlines which can fly until 20 times a day heading to different

destinations. Based on the data, Number of Departure Passanger's Growth PT. Angkasa Pura I (Persero) , Juanda International Airport - Surabaya can be seen in table 1.1.

Table 1.1

**Number of Departure Passanger's Growth PT. Angkasa Pura I (Persero) ,
Juanda International Airport – Surabaya**

PRODUCTION		YEAR						
		2010	2011	2012	2013	2014	2015	2016
PJP2U								
DOMESTIC	PAX	4.849.196	5.343.928	6.442.989	6.879.681	6.776.644	6.704.434	7.600.951
INTERNATIONAL	PAX	556.606	687.894	733.191	895.249	873.462	830.801	914.044
TOTAL PJP2U		5.405.802	6.031.822	7.156.180	7.774.930	7.650.106	7.535.235	8.514.995

Source : Annual report PT. AP I – Juanda International Airport Surabaya

Following the rapid growth of passanger, an airline to be able to provide quality and professional services to meet the expectations of service users. To achieve customer satisfaction, the company optimizes and develop a working system to create the best service and provide the facilities needed and desired from the customer.

In this study, there are some variables that influence on customer satisfaction. People is one of element that influence on customer satisfaction. It can be seen based on previous research by Etty Carolina, *et.al* (2014) revealed research on the influence of Marketing Mix 7p and consumer behavior on purchasing decision of Healty Food Bar located in Malang city. In this study the variables used are Product, Price, Promotion, People, Place, Process and Physical Evidence and consumer behavior that includes Environmental Factors, Individual Factors and Psychological Factors. The results obtained from this study that the related variables Marketing Mix 7Phave a significant influence on the purchase

decision of Healty Food Bar both simultaneously and partially. According to Michael Loekito, *et. al* (2010) with tittled analysis is the Influence of Marketing Mix (7P) on Purchase Decision at Floks! Coffe Shop and Tea House Surabaya. In this study the variables used are Product, Price, Promotion, People, Place, Process and Physical Evidence and Purchase Decision. The results of the analysis concluded that marketing mix elements has a significant effect on customer Purchase Decision on Folks! Coffee Shop and Tea House Surabaya. Other previous research (Saeful:2015). Analysis of Marketing Mix 7P (Product, Price, Promotion, People, Place, Process and Physical Evidence) on Purchase Decision at Busana Muslim Al-Hakim Store, Purwakarta. The result of the study is the marketing mix elements has a significant effect on customer Purchase Decision at Busana Muslim Al-Hakim Store, Purwakarta.

Second variables that influence on customer satisfaction is service. According to previous reserach Agung Utama (2003), This research aims at finding out the impact of perceived of service quality that consists of five dimensions, namely: reliability, responsiveness, assurance, empathy, and tangibles towards customers satisfaction at Hospital of Cakra Husada Klaten. The results show that the five dimensions of Reliability, Responsiveness, Assurance, Emphaty and Tangibles have a significant effect on customer satisfaction (patient) RSU Carka Husada Klaten. Second previous research, according to Lotfollah (2006). This study analysis is Service Quality: A Case Study of Bank the variable of this study is service quality that consists of five dimensions, namely: reliability, responsiveness, assurance, empathy, and tangibles towards customers satisfaction

The result of this study was significant. Reliability and responsiveness is most critical dimensions of service quality, and they are directly related to overall service quality. Third research has been discussed with titled The Influence of Service Quality, Trust, Commitment and Differentiation Product on Word of Mouth Satisfaction at Larissa Aesthetic Center in Surakarta (Kartikan and Siti, 2010). The result of research it could be concluded: (1) Service quality affects positively and significantly the trust, (2) service quality affects positively and significantly on differentiation, (3) there is a positively and significantly relationship between service quality and customer satisfaction, (4) there is a positively and significantly relationship between service quality and word of mouth, (5) trust affects positively the product differentiation, (6) product differentiation affects significantly and positively the product differentiation, (7) commitment affects positively the trust, (8) commitment affects positively and significantly WOM behavior.

Last variable in this study, the variables that influence on customer satisfaction is facilities. According to Steffi Mongkaren (2010) study discusses to know whether facility and service quality influence to service user satisfaction of Manado Adventist Hospital. The related variables are Facilities, Quality of service to customer satisfaction. The results showed that facilities and service quality simultaneously and partially significant effect on customer satisfaction. Second previous research is Analysis of the Influence Facilities, Service Quality and Customer Satisfaction on Interest of Reference (Munika:2011). This study aimed to analyze the influence of facilities, service quality, and customer satisfaction for Star Clean Car Wash. This study, uses three independent variables,

facilities, service quality, and customer satisfaction and the dependent variable is word of mouth. The result of this study, the variable facilities has a positive and the biggest influence on word of mouth Star Clean, and the customer satisfaction also has a positive influence on word of mouth Star Clean and the service quality also has a positive influence on word of mouth Star Clean and the Satisfaction variable has the least positive influence on word of mouth of Star Clean. Third previous research according to Yuda (2012) with titled is Analysis of Service Quality, Price and Facilities on Customer Satisfaction of Outpatient at Kariadi Hospital Semarang. The aim of this research is to analyze the effect of quality of service, price and facilities to the satisfaction of outpatients. The analysis showed that the variable quality of service, price and facilities have a significant positive effect on customer satisfaction variables, both individually and together.

Based on the result of previous research above, has been explained any several variable that influence customer satisfaction. In this study would be analysis t variables that influence costumer satisfaction concluded of People, Service and Facilities at PT. Angkasa Pura I – Juanda International Airport Surabaya. Independent variables have a significantly affect on Customer Satisfaction. Basically PT. Angkasa Pura I have a five consumers such as Airlines, Ground Handling, Pilot in Command, Cessionaire and Passengers. This company must to develop the Customer Satisfaction level continously, the company must to give the best perfomance, best contributions to achieve customer need and want.

This study analysis of Airlines as customer because no research has been discussed yet, additionally is the reserach focused and unbiased result. With

independent variables as People, Service and Facilities the author would be prove if this variable have a affect to develop Customer Satisfaction in PT. Angkasa Pura I – Juanda International Airport Surabaya. With that reason, the author was motivated to analysis and learn this study deeper.

Based on the prevoius explanation, the researcher could cunducted a reserach entitled :

“The Influence of People, Service, and Fasilities at PT. Angkasa Pura I (Persero) on Customers Satisfaction – Juanda International Airport Surabaya”

1.2 Research Problems

Based on the researched background previously mentioned, the research problems are as follows:

1. Do the *People, Service and Facilities* simultaneously affect on *Customer Satisfaction* at PT. Angkasa Pura I of Juanda International Airport Surabaya Branch?
2. Do the *People, Service and Facilities* partially affect on *Customer Satisfaction* at PT. Angkasa Pura I of Juanda International Airport Surabaya Branch?
3. Which is the variable that dominanly affecs on *Customer Satisfaction* at PT. Angkasa Pura I of Juanda International Airport Surabaya Branch?

1.3 Research Objectives

The goals of this research are as follow:

1. To analyze simultaneously affect from variables *People, Service and Facilities* on *Customer Satisfaction* at PT. Angkasa Pura I (Persero) of Juanda Airport in Surabaya Branch
2. To analyze partially affect from variables *People, Service and Facilities* on *Customer Satisfaction* at PT. Angkasa Pura I of Juanda Airport in Surabaya Branch
3. To examine among variables which dominantly affects on *Customer Satisfaction* at PT. Angkasa Pura I of Juanda Airport in Surabaya Branch

1.4 Research Significance

The results of this research is expected to provide benefits to the following parties:

1. For Academician

This research is expected to enrich the understanding of science. It can add the insight and provide inputs and information for the academic community, especially in the field of Marketing Management and Services.

2. For the Company

For the company, the result of the study is expected to provide useful information for the management of PT. Angkasa Pura I (Persero) of Juanda International Airport - Surabaya Branch in improving the quality of services in order to achieve customer satisfaction.

3. For the Researcher

This research is expected to enrich the understanding of the science acquired in the Classroom (theory) in the field of scientific and business manager of the airport.